

City of Gloucester

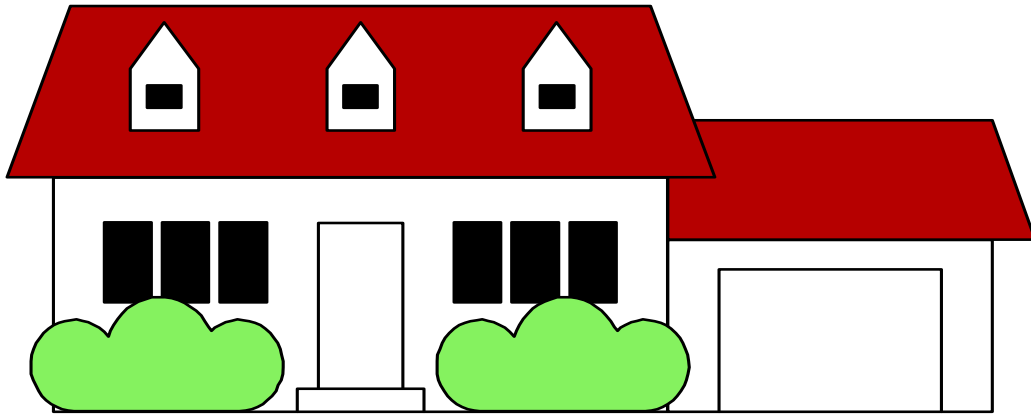
Community Development

Grants Division

3 Pond Road

Gloucester, MA 01930

(978) 282-3027



FIRST TIME HOMEBUYER PROGRAM Application

(Revised 7/23/09)

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The City of Gloucester's First Time Homebuyer Program offers downpayment and/or closing cost assistance up to \$10,000. The amount of assistance you may be eligible for will be based on your financial need, purchase price and lending requirements. This award is a 0% interest deferred loan which must be paid back upon rental, title transfer, property sale or it is no longer your principle place of residence. If you wish to refinance in the future, please be aware the lender will require the city to subordinate its loan. The city will **only** subordinate to a new loan with a lower interest rate, any cash equity being removed will require repayment of the city's loan.

TO BE CONSIDERED FOR FUNDING APPLICANTS MUST:

- ◆ Be **Income Eligible** based on household size (see HUD maximum income limits attached).
- ◆ Be a **first-time homebuyer** (not having owned any property within the last three (3) years or be a displaced homemaker) and buying a home in the Gloucester/Magnolia area.
- ◆ Deliver or mail **a completed and signed application** accompanied with all financial information required (see attached check list). No application will be accepted if not completed properly.
- ◆ The property you are purchasing **must not exceed** HOME Maximum Purchase Limits (see attached chart). If purchase price is higher you may not participate in the program.
- ◆ The City of Gloucester has the right to deny assistance in the event the primary mortgage has an adjustable interest rate which could potentially create a financial hardship.
- ◆ If the property you are purchasing is **subsidized** through other public financing opportunities or you are pledging **\$50,000 or more** of a downpayment or equity, you may not qualify for assistance.
- ◆ You will be notified in writing if your household income qualifies within HUD Income Guidelines or if you are over income. If you qualify, you will be placed on our waiting list. This pre-approval **does not guarantee funding**, other program requirements must be met. If you have any questions or concerns regarding the program you may schedule an appointment with Sandy Shea.

ONCE YOU ARE PLACED ON OUR WAITING LIST AND IN THE PROCESS OF BUYING A HOME YOU WILL BE RESPONSIBLE TO PROVIDE US WITH THE FOLLOWING:

1. Pre-approval letter from lender;
2. Offer to Purchase - Notify this office **IMMEDIATELY** if an offer has been accepted. Once this office has **received your executed Offer to Purchase**, a contract can be issued for your loan. If this is not done in a timely fashion, no funds will be obligated for you and could delay your closing. **The Closing Date must not be scheduled prior to at least 6 weeks from signing of your contract with the City or possibly longer;**
3. Buyer's Home Inspection Report (if applicable);
4. Once we have received a copy of your Offer to Purchase, the City will need to schedule a HOUSING QUALITY STANDARD INSPECTION (HQS) conducted by this office. **The home MUST meet Housing Quality Standards.** If interior or exterior paint is peeling, chipping, flaking, or cracked a Lead Paint Inspection must be conducted if you wish to proceed with purchase;
5. A copy of a signed Purchase & Sales Agreement must be brought into this office. A fee of **\$175 made payable to the Registry of Deeds** will be charged to you in order to record your mortgage document at the Registry;
6. Good Faith Estimate and Appraisal from lender;
7. HUD settlement sheet from closing attorney's office.

**APPLICATION FOR FIRST TIME HOMEBUYER
CITY OF GLOUCESTER COMMUNITY DEVELOPMENT
GRANTS DIVISION
3 POND ROAD, 2nd FLOOR
GLOUCESTER, MA 01930
(978) 282-3027**

APPLICANT INFORMATION

DATE: _____

Name: _____

Telephone (Home): _____ Optional (Cell): _____

Current Address: _____

Names, S.S. Numbers, and Birth Dates of **ALL** Members of Household (Including self)

NAME	S.S. #	DATE OF BIRTH

1. Are You a U.S. Citizen? Yes _____ No _____ (if no, attach copy of resident alien card)

2. Are you a First Time Homebuyer (have not owned a home within the last three (3) years or a displaced homemaker)? Yes _____ No _____

3. Do you own or have a financial interest in any other real estate or business?

If Yes _____
Address of Real Estate _____ Name of Business _____

4. How did you hear about our program? _____

5. Have you participated in a **certified** homebuyer counseling program within the last 12 months? Yes _____ No _____

6. What name(s) will appear on the deed: _____

7. Do you have an **accepted** offer for a property? Yes _____ No _____
(If so, you must include a copy of the P&S).

8. Are you or an immediate family member employed by the City of Gloucester?

- a. If Yes, City Department _____
- b. Name of Relative _____
- c. Relationship _____

EMPLOYER INFORMATION:

ALL Household Members Must List **ALL** Jobs Held for Current Year

1. a. Name of Employee _____
Employer _____
Employer Address _____
Employer Telephone _____ Date of Hire _____
Position Held _____
1. Hourly Rate _____
2. Number of hours worked per week _____
3. Are you paid weekly or bi-weekly _____
4. If salary, annual amount \$ _____
-

- b. Name of Employee _____
Employer _____
Employer Address _____
Employer Telephone _____ Date of Hire _____
Position Held _____
1. Hourly Rate _____
2. Number of hours worked per week _____
3. Are you paid weekly or bi-weekly _____
4. If salary, annual amount \$ _____
-

- c. Name of Employee _____
Employer _____
Employer Address _____
Employer Telephone _____ Date of Hire _____
Position Held _____
1. Hourly Rate _____
2. Number of hours worked per week _____
3. Are you paid weekly or bi-weekly _____
4. If salary, annual amount \$ _____

(List any additional employers on a separate sheet)

RESIDENTIAL INFORMATION

1. List **ALL** Residential Addresses for the last five (5) years.

INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans in order to monitor the City of Gloucester's compliance with equal credit opportunity and fair housing laws. While you are not required to supply this information, you are encouraged to do so. The law provides that lender may neither discriminate on the basis of the information, nor on whether you chose to supply it. Under Federal Regulations, the City of Gloucester is required to note race and sex on the basis of visual observation or surname. If you do not wish to furnish this information, please check the box below.

___ I do not wish to provide this information

Applicant:

Are you Hispanic / Latino? Yes _____ No _____

(Even if you answered yes to the ethnicity question, please check one box below. which asks about race please check the appropriate item below per your household)

White	
Black/African American	
Asian	
American Indian /Alaskan Native	
Native Hawaiian/Other Pacific Islander	
American Indian/Alaskan Native & White	
Asian & White	
Black/African American & White	
American Indian/Alaskan Native & Black/African American	
Other Multiracial	
Asian/Pacific Islander	

Female Head of Household:

Yes: _____

No: _____

Over 62:

Yes: _____

No: _____

Handicapped:

Yes: _____

No: _____

ACKNOWLEDGEMENT AND AGREEMENT

The applicant(s) certifies that all information provided in this application is true to the best of his/her knowledge and belief and no information has been excluded, which might reasonably affect a judgment regarding the applicant's eligibility. Signing this application will give the City of Gloucester's Grant Office the right to obtain verification from any sourced named herein.

ALL APPLICANTS MUST SIGN BELOW:

PENALTY FOR FALSE OR FRAUDULENT STATEMENT U.S.C.

TITLE 18, SECTION 1001, PROVIDES

"Whoever, in any matter, within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than \$10,000 or imprisoned not more than five (5) years or both."

Applicant's Signature: _____ Date: _____

Co-Applicant's Signature: _____ Date: _____

SUBORDINATION POLICY NOTIFICATION

General: The primary purpose of the First Time Homebuyer Program is to assist income eligible households in the purchase of their first home in the City of Gloucester.

Required Conditions: THE CITY OF GLOUCESTER WILL APPROVE THOSE SUBORDINATION REQUESTS THAT:

- Do not endanger the City's equity position
- New mortgage/loan is not a home equity line of credit
- Facilitate the refinancing of an existing first mortgage balances at a lower rate of interest with no cash out

Procedures: Requests for subordination must be made in writing two weeks prior to the need for such subordination and must contain the following information:

- Request a subordination form, completely fill out
- Appraised value of property
- Copy of appraisal
- A \$10.00, non-refundable processing fee must be submitted with all subordination requests (checks made payable to City of Gloucester)

Denial: Requests for subordination for **any** reason other than those stated above, particularly cash out refinancing, will not be allowed. Applicants will be notified if a request is denied and the reason shall be noted and placed in the case file. **If the homeowner proceeds with the refinancing after a request has been denied the loan will be terminated and due in FULL.**

PLEASE READ CAREFULLY BEFORE SIGNING:

I/We have read and understand that if I/we decide to refinance the primary mortgage on the property, the city's decision to subordinate will be based on the above policy. Should I/we decide to refinance after a subordination request has been denied, we must pay to the City of Gloucester the total amount due on the loan.

Signature of Borrower

Date

Signature of Borrower

Date

FIRST TIME HOMEBUYERS PROGRAM

HOUSING QUALITY STANDARDS INSPECTION DISCLOSURE

The City of Gloucester’s First Time Homebuyers Program project manager will conduct a visual “hands off” inspection of the readily accessible areas of the dwelling to determine compliance with the Housing Quality Standards (HQS) as adopted by the Department of Housing and Urban Development.

The HQS inspection will be performed prior to the First-Time Homebuyer’s Assistance Loan Program closing at no cost to the buyer or seller. If the house does not pass HQS, the Project Manager will create a list of necessary work. If the Grant Department determines that the buyer can reasonably undertake the work necessary to meet HQS, the buyer will sign a statement of his/her intention to complete the work within six months. Failure to follow through with required repairs will result in recapture of the loan.

The HQS inspection is not intended to be a replacement for any other property inspection required by the lender or requested by the buyer. The HQS inspection will be made of Readily accessible areas of the building and is limited to visual observation or apparent conditions existing at the time of the inspection only. Latent and concealed defects and deficiencies are excluded from the inspection: equipment and systems will not be dismantled.

The HQS inspection is not a guarantee or warranty of the adequacy, performance, or condition of any structure, item, or system at the property address. The City of Gloucester is not responsible for the cost of repairing or replacing any reported or unreported defect or deficiency and for any consequential damage, property damage, or personal injury of any nature.

Acceptance and understanding of this disclosure are hereby acknowledged:

Homebuyer

Date

Homebuyer

Date

CHECKLIST

STEP 1: Submit Applicant Eligibility Information

- ☐ Completed First-Time Homebuyer Downpayment Assistance Application.
- ☐ Income Verification, **COPIES** of the following documents that apply to any household member:
Program Eligibility is determined by a Projection of Adjusted Gross Household Income for the coming 6 months.

Employed:	Twelve (12) weeks of pay stubs for <u>all</u> working household members <u>age 18 & over</u> .
Self-Employed:	Most recent <u>federal</u> tax returns, <u>including Schedule C</u> and all attachments.
Unemployed:	Two (2) most recent month's checks and letter stating start date and assistance.
Social Security:	Current year's letter from Social Security Office stating monthly benefits (even for child benefits).
Public Assistance:	Recent checks and letter from agency stating amount of assistance.
Pension/Disability/Veteran Benefits:	Company or official letter stating monthly benefits for current year or direct deposit records.
Alimony and/or Child Support:	Court Order or letter from non-custodial parent/ex-spouse stating payments or copies of deposited checks.
Full Time Students:	Letter from school stating <u>full-time</u> enrollment for students <u>age 18 & over</u> .

- ☐ Most recent (2) Two year's federal tax returns (Form 1040 with all schedules & attachments).
- ☐ Most recent statements from savings & checking accounts (interest & dividend income balances).
- ☐ Most recent quarterly statements for retirement accounts, IRA's, CD's, stocks & any other investments. If your household is not currently drawing down these accounts there is no need to provide documentation with this application.

STEP 2: Submit Property Eligibility Information

- ☐ Pre-approval letter from Lender.
- ☐ Offer to Purchase, as soon as possible.
- ☐ An executed Purchase and Sale Agreement, as soon as it is available. Scheduled Closing Date:_____.
- ☐ A copy of the Buyers Home Inspection if conducted.
- ☐ A Housing Quality Standards Inspection (HQS) - Coordinate with the Grants Project Manager to set up an inspection.
- ☐ The Lead Based Paint Disclosure Form provided to you by the Seller.
- ☐ Name and contact information for Closing Attorney or Bank.
- ☐ The Certified Appraisal of the Property.
- ☐ Good Faith Estimate.
- ☐ Proof of cash paid by applicant toward down payment (i.e. copy of check).
- ☐ Executed Final Loan Commitment.

STEP 3: Attorney or Bank MUST Submit Copy of HUD Settlement Statement within 10 days of Loan Closing

DOCUMENTS MUST BE SUPPLIED TO THIS OFFICE IMMEDIATELY AS THEY BECOME AVAILABLE

HUD INCOME GUIDELINES
Effective March 19, 2009
Median Family Income \$85,800

	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
Moderate (80%)	\$46,300.00	\$52,950.00	\$59,550.00	\$66,150.00	\$71,450.00	\$76,750.00	\$82,050.00	\$87,350.00

Your Household Adjusted Gross Income must **fall below** the HUD Income Guidelines for eligibility in program.
Adjusted Gross Income is found on your Federal Income Tax Form #1040

MAXIMUM HOME PURCHASE PRICE
Effective February 10, 2006

Single Family Home	Two Family Home	Three Family Home	Four Family Home
\$362,790.00	\$461,113.00	\$560,231.00	\$646,421.00